GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:34
ANSWERED ON:01.03.2002
CLOSURE OF TEXTILE MILLS
ALE NARENDRA;BHARTRUHARI MAHTAB

Will the Minister of TEXTILES be pleased to state:

(a) the details of textile mills, both in handloom and powerloom sectors, closed down during each of last three years in each State/Union Territory;

(b) the reasons for their closure; and

(c) the steps taken by the Government to reopen these mills?

Answer

MINISTER OF TEXTILES (SHRI KASHIRAM RANA)

(a) to (c) A Statement is laid on the Table of the House.

Statement referred to in reply to the Lok Sabha Starred Question No. 34 for 1-3-2002

(a) The State-wise details of cotton / man-made textile mills (Non-SSI) closed during 1-1-1999 to 31-12-2001 are given below:-

State /U.T.	No. of Mills closed during 1-1-`99 to 31-12-`99	1-1-`00 to 31-12-`00	1-1-`01 to 31-12-`01
Andhara Pradesh	4	4	4
Bihar	2	1	1
Gujarat	8	5	2
Haryana	1	3	0
Karnatka	6	1	1
Kerala	1	0	0
Madhya Pradesh	0	2	0
Maharashtra	6	7	1
Orissa	3	3	0
Punjab	2	2	3
Rajasthan	1	1	0
Tamil Nadu	15	5	10
Uttar Pradesh	3	8	2
West Bengal	3	0	1
Total	55	42	25

Out of above 122 closed Cotton / Man-made fibre textile mill (Non-SSI) 2 spinning mills and 1 composite mills were closed under section 25 (O) of ID Act and 2 spinning and 1 composite mills were under official liquidator.

There are no Handloom units in the organized mill sector. Due to complex, diverse and widely dispersed nature of decentralised powerloom and handloom units, no precise detail about the number of closed powerloom units is maintained.

(b) Closure of textile mills and powerlooms can be attributed to many factors including obsolete technology, increase in cost of inputs,

difficulties in getting timely and adequate credit, mismanagement, labours` strike, recessionary conditions etc.

(c) The Government of India has enacted the Sick Industrial Companies (Special Provisions) Act, 1985 and established the BIFR with a view to timely detection of sick & potentially sick companies and for the speedy determination of preventive ameliorative and remedial measures which need to be taken in respect of such companies. The rehabilitation schemes sanctioned by BIFR include various measures like restructuring the capital, induction of fresh funds by the promoters, merger with the other companies change of management, provision for working capital and term loans by banks and financial institutions.